A MANIFESTO TO THE COUNTRY

The annexed manifesto drawn up and signed by a number of bankers and others in close touch with financial conditions in Great Britain has been given wide publicity throughout that country. The close touch which exists between Canada and Great Britain, particularly in financial matters, renders it almost equally applicable to Canada. We feel therefore that we need make no apology for giving it circulation in this manner, and we trust that it will be read and given careful consideration at this time by every Canadian.

When published in its columns the Statist, one of the foremost financial journals of London, said in part :

" The problem of finance underlies all the other problems. The nation's need in the matter of men and munitions has been, or is in course of being, supplied, but nearly all the money has still to be found with which to maintain the forces and to supply them with arms and equipment in 1916. This is the work that must now be carried on from hour to hour by everyone in the nation with unflagging persistency until victory is secured".

The Canadian Bank of Commerce

Toronto, February, 1916

THE NATION'S NEED

At this time of great national danger it is imperative that every citizen should realise the vastness of the work which Great Britain has to perform and should so act that the full strength of the nation may be put forth. Not only must everyone pull, but, in order that the work may be well within the nation's strength, all must pull together.

The Allied fleets have driven the enemy's ships from the seas, and have established a blockade of the enemy's coasts. The enemy are thus prevented from carrying on their foreign commerce except to a very small extent, their income is seriously curtailed and their financial strength diminished. Moreover, the fleet has enabled both the British people and their Allies to draw abundant supplies of food, of material and of munitions from all parts of the world, to conduct their foreign commerce much as usual, and to maintain their income at a high level. The closure of the Dardanelles and of the Baltic is, indeed, the only remaining impediment to the overseas commerce of the Allies.

On land the Allies have added steadily to their military strength from week to week ever since war began, not only actually but relatively to the enemy. Germany's hopes of victory depended upon a short and swift war. These hopes have been completely dispelled.

In a long war success depends mainly upon the respective financial resources of the combatants, and the consequent power of one of them to maintain, or to add to, its fighting strength when the other's is declining, or is not capable of expansion. It is not in doubt that the financial resources of the Allies, when fully mobilised and wisely controlled, will be vastly greater than the enemy's.

Therefore, the enemy's efforts have been directed to three essential matters:—

(1) To seize victory before the forces of the Allies could be mobilised in overwhelming strength.

(2) To reduce the economic and financial strength of the Allies.

(3) To prevent the Allies from making or purchasing sufficient equipment and ammunition for their ever expanding forces.

The endeavours of the enemy to accomplish these objects have been completely frustrated by the co-ordination of the armies, of the financial resources, of the equipment and of the munitions of the Allied nations. The success of the Allies in defeating the enemy's

efforts to cripple them in men, munitions and money before they could assemble their full strength has now brought the war nearer to its final stage. Indeed, only one thing is now needed to command victory. The Allies have assembled new armies of overwhelming strength in France, in Russia, in Italy, and in Great Britain, and everything needed to equip them and to supply them with munitions has been secured, or is in process of manufacture. **The only thing remaining to be done is to provide all the money needed to support these great armies of new men, and to pay for the vast quantities of arms and munitions now being manufactured in all parts of the world.**

The task of finding the greater part of the immense sums of money needed by the Allies is the special duty of the British people, for they in particular possess the necessary financial resources. Their manufacturing power has not been reduced by invasion, their cities have not been destroyed, their ports have not been shut off from the rest of the world, and their income has not been diminished by the absence of tourists and by other circumstances. Indeed, the income of the British people has been maintained at a very high level. Their exports, though not as great as before the War, are greater than they were as recently as 1909, their income from interest on capital invested abroad has been reduced but little, the earnings of their ships are greater than ever, and their factories are working full time. Moreover, the effect upon the production of the nation of the mobilisation of a great army has been largely neutralised by the more vigorous and effective work of the civilian population in general and of the women in particular. Lastly, the average individual income is much in excess of any total hitherto reached. Thus the power of Great Britain to meet her own expenditures and the sums needed by her Allies is very great.

What is it, then, that the country has to do? The Chancellor of the Exchequer has informed the nation that the Government expenditure in the current fiscal year will be :—

	£
Navy	190,000,000
Loans to Allies and Colonies	423,000,000
Army	715,000,000
Miscellaneous	92,000,000
Interest on Debt	67,000,000
Civil Services, Post Office, Local Taxation, &c.	103,000,000
Total	£1,590,000,000

And that in 1916-17 the expenditure will reach £5,000,000 per day, or £1,825,000,000 per annum.

Therefore, the work that the British people are called upon to perform is to provide out of all their financial resources a sum of nearly £1,600,000,000 in the current fiscal year, and over £1,800,000,000 in the next fiscal year. In the current calendar year (1915) the British people will spend about £1,300,000,000 upon war and government, and next year (1916) will need to spend about £1,800,000,000 in place of a sum of about £200,000,000 a year before the war. To raise this vast sum is a stupendous task, and one that will try the mettle of the nation as it has not been tried for a hundred years. Not only has the nation to find this great sum of £1,800,000,000 next year, but it has to find it with several millions of its most active sons in the fighting line.

No one can realise the vastness of the task before the nation without becoming keenly conscious that it demands the strenuous co-operation of every man and woman, youth and maiden in the country; that the nation's energies must be completely concentrated upon the production of really essential things; and that the production of all non-essentials must be wholly stopped. Moreover, not only must the nation avoid the consumption of all non-essentials, but must even restrict the consumption of essentials to the limits of efficiency. Furthermore, individuals possessing securities marketable abroad must sell them in order to pay for goods and munitions purchased abroad for which no other means of payment can be provided. Lastly, the credit of the nation and of individuals must be employed in order to pay for goods and munitions purchased abroad for which payment cannot be made in goods, services, or securities. Only by all classes, employers and employed alike, adding to, and most carefully husbanding, income, by selling foreign securities and by creating foreign credits, will it be possible to provide the vast sum needed by the nation and the nation's Allies.

The work of mobilising the whole of the nation's financial resources must now be undertaken with courage and with vigour.

With everyone anxious "to do his bit," the task of financing the War can and will be accomplished and ultimate victory assured.

GEORGE ANDERSON
ROBERT BALFOUR
RUPERT BECKETT
HENRY BELL
FABER
J. S. HARMOOD BANNER
FREDERICK HUTH JACKSON
HENRY SEYMOUR KING
WALTER LEAF
GEORGE PAISH
J. W. BEAUMONT PEASE
WILLIAM PLENDER
JAMES ROBERTS
ALEXANDER ROBB
GERALD H. RYAN
SWAYTHLING
J. HERBERT TRITTON
R. V. VASSAR-SMITH